

CHAPTER 1

THE CASE FOR EXPORT TRAINING

1. The pattern of exporting in British industry presents a confusing picture to those who are not intimately concerned with it. The organisation of exporting takes different forms according to the method which each individual company adopts. Some companies have a large export department which covers the whole exporting process, from production to delivery. Others, particularly the smaller ones, rely in varying degrees on the specialised export houses to carry out parts of the process for them. Some companies manufacture in this country and transport their products overseas; others operate through overseas companies which manufacture goods or they allow others to do so under licence. Some firms send their sales or technical representatives abroad, temporarily or permanently; others appoint agents or distributors within the countries concerned to act in their interest. The training requirements of individual firms will vary accordingly.

2. We have treated exporting as comprising the market research, management strategy, sales promotion, selling effort, transportation and documentation, all of which are employed in the process of determining the needs of markets overseas and supplying them profitably. We are not directly concerned with home selling, nor do our recommendations cover the whole range of marketing functions. We accept that this distinction is, in some ways, unrealistic. Exporting is an integral part of the whole marketing plan on which a company's strategy should be based. A salesman sent overseas may be building on the experience and techniques acquired at home; and no exporter will be successful unless he fully masters the principles and practices of marketing, at home and abroad. Some of our recommendations will bear on these wider activities; but a full investigation of training for home selling or for marketing is outside our terms of reference.

3. The importance of a successful export trade to the prosperity of this country is now accepted as axiomatic. Inefficient, slipshod methods or the mistakes of untrained staff are often more harmful in exporting than in other activities. An ambiguous letter to a potential client abroad can lose a major contract. An error

of assessment in handling a competitive situation can imperil an important market. A social gaffe may alienate a potential client and divert a valuable order elsewhere. Incorrect or late shipping documents can forfeit goodwill. It is particularly important that exporters should understand the cultural, social and religious customs of the countries with which they trade.

4. The export scene is never static: situations, methods and products change all the time. We are even now witnessing developments which are profoundly influencing the whole pattern of exporting: the impact of containerisation is affecting practices and procedures previously taken for granted; regional trading areas are taking the place of political groupings. Even trained staff will need retraining to appreciate these changes. An exporter thoroughly trained in the functions of exporting will best be able to comprehend such changes as they occur, and even to anticipate them.

5. We believe that proper training and the provision of adequate facilities for retraining are essential for a successful export trade; but we are bound to state at the outset that the present provision for both is deficient. There are some firms, both large and small, with well organised and sophisticated schemes of training; but these firms are in a minority. In far too many companies and export houses, the export staff are given no planned instruction and acquire such information as they possess in a haphazard manner in the course of doing their jobs. There is an important role for in-company training, properly organised; but too many firms leave their staff to pick up their knowledge by chance or through the goodwill or self-interest of senior staff. More than one export manager has suggested that exporting is an art, played by ear, and cannot be taught. We do not believe it.

6. The provision of external courses for exporters also presents a depressing picture. A handful of colleges in both the public and private sector put on imaginative courses of considerable merit; but, in general, the overall picture is one of apathy, with few courses and these ill-attended. Colleges lament that their courses are not supported by industry; industry protests that the courses which are offered are irrelevant to their needs. The present gulf between industry and the educational services in this field is one of many pressing problems.

7. In order to obtain some initial insight into the present training practices of successful exporting firms, we commissioned a survey of the training provided by those firms which were awarded the

Queen's Award to Industry in 1966. We hoped that the pattern of training in these firms might provide some guiding principles which could be recommended for wider application. But it proved impossible to use the survey in this direct way since, even amongst this select band of exporters, the training provision and the organisational patterns varied so widely. We comment in more detail on the survey in Appendix I and have included references to it in the text where appropriate.

8. Some of the terms used in exporting are technical and specialised, particularly in the shipping functions. A further confusing factor is the loose way in which job titles are used, especially at the managerial level. The same function may be described by a number of different titles in different firms. The executive with responsibility for the export offices in the firms within our survey was known under no less than 24 different titles. To some extent this reflected the different organisational patterns in the companies; but it also demonstrated the lack of a common framework of job analysis and job description. We have found very little evidence of analysis by firms of the various jobs in exporting. Efficient recruitment and training both depend on the prior analysis of the functions associated with each job. The absence of agreed job definition and job description is symptomatic of the fragmentary nature of the training carried out at present.

9. The variation in the organisational pattern of exporting, and the absence of generally accepted job titles, have compelled us to undertake an analysis of the different functions in exporting and to base our recommendations on those functions. We have sought to analyse the office, representation and management activities, and to determine the actions that have to be carried out, irrespective of who might happen to do them. We have associated our training recommendations with these functions. The advantage of this approach is clear: since the functions are common to exporting as a whole, each firm will be able to associate its staff with particular functions for training purposes. Different functions, or groups of functions, will be carried out by different staff in different types of firm. The larger the export organisation the greater the specialisation is likely to be. Conversely, in the very small firm the principal may well be the overseas representative and also have responsibility for the clerical function. If we have been successful in describing the main functions and the skills and knowledge which are needed for

their performance, then each company or organisation, no matter how small or specialised, should be able to apply the analysis to its own circumstances and then to draw up its own training programme. We have discussed and confirmed with a cross section of exporting companies and export houses, both large and small, the practical relevance to them of the contents of Chapters 3, 4 and 5.

10. One final comment is needed by way of introduction. In preparing these recommendations, we have necessarily confined our attention to the specific export content of the jobs carried out by managers, representatives and office staff. Such a division is clearly artificial. The exporting function does not exist in isolation. An export manager is first and foremost a manager; he also happens to be engaged in export management functions. He must therefore be trained as a manager in management techniques like any other manager. We have not dwelt on this aspect of his training since general management training has already been covered elsewhere.* Similarly, an export office sales clerk needs to build his special expertise on the basic general training of an office worker.† But in making these distinctions, we do not wish to imply that export training must wait on the prior provision of other forms of training. Training for exporting stands in its own right, and the need for it is pressing. We hope that all training boards will give the most urgent attention to stimulating the training which we recommend for all staff at present engaged in the export field, as well as for those who may enter it in the future.

11. In Chapter 2 we survey briefly the pattern of exporting and the types of organisation which may be found. Subsequent chapters analyse the office, representation and management functions and the training appropriate to them. Chapter 6 indicates some of the main aptitudes, abilities and experience which should be sought when selecting staff for export work. Chapter 7 gives some guidance to firms on identifying training needs. In Chapter 8 we describe the main features of suitable in-company training, and in the following Chapter we discuss external courses and the special problems associated with extending their provision. Finally, in Chapter 10 we summarise the pattern of training which we should like to see established for export staff in this country.

* See the Report "An Approach to the Training and Development of Managers" by the Central Training Council's Management Training and Development Committee. HMSO 1s. 6d. net.

† See the Report "Training for Commerce and the Office" by the Central Training Council's Commercial and Clerical Training Committee. HMSO 7s. 6d. net.

CHAPTER 2

THE ORGANISATION OF EXPORT TRADE

12. Apart from particular markets, such as the Eastern European countries, and certain major contracts, it is unusual for a manufacturer to deal directly with the overseas user or consumer of his products. Most export trade is carried on through one or more intermediaries. There is much less "face to face" selling and much more administration than is found in home trade. This distinctive feature of export trade is reflected in the varied pattern of export organisation.

13. Some manufacturers use the services of intermediaries in this country. A considerable number employ intermediaries in the country of sale although, in a few cases, manufacturers may deal directly with the final user. Some base their export trade on the granting of licence or franchise or the sale of "know-how". Something will be said about each of these forms of organisation.

14. We have omitted from this report matters relating to the setting-up and operation of overseas branches and subsidiaries. This separation is unreal in the sense that the considerations involved will interact on export policy and performance; but they are not directly related to the training of export staff.

Intermediaries in the United Kingdom

15. These are collectively described as "export houses" and may be divided into three main groups. There is considerable overlap between the three divisions described below and many export houses act in more than one capacity.* The three main groups are:

Merchants. These buy and sell on their own account. They make two contracts for any consignment, one to buy and one to sell, and they are the principals on both. They buy as cheaply as they can, sell as dearly as they can and make a profit or sustain the loss.

* See "Britain's Invisible Earnings". A report of the Committee on Invisible Exports, BNEC, 1967, Chapter 5. The title "export houses" includes, in addition, those firms whose major or sole consideration lies in the provision of export finance; and also the UK offices and representatives of foreign buyers.

Agents of the buyer. These act either as a purchasing agent and/or a confirming agent. As a purchasing agent, they place orders on behalf of the overseas principal and have varying degrees of discretion in the selection of the supplier, determination of price, etc. As a confirming agent, they add an undertaking to pay for goods when they are shipped and may also accept delivery even if shipment is temporarily impossible.

Agents of the seller. These act as the export office for one or more manufacturers. Their organisation may be based on a particular industry or a particular type of buyer or may be regional in character.

Overseas Intermediaries

16. These fall into three main divisions :

Wholesalers. These buy on their own account for re-sale.

Overseas branches. These include manufacturing companies, selling organisations and local offices. Their size and function and the nature of their incorporation vary considerably from country to country. They may be wholly or partly owned by the exporter.

Sales agents and distributors. These are independent companies or individuals who are appointed for the purpose of promoting the sale of the exporter's products in a particular territory. They may be employed in respect of only one manufacturer's business, but it is usual for them to act for more than one. Some exporters, especially those dealing with industrial goods requiring considerable technical competence in selling and servicing, retain the services of an agent or distributor, but strengthen this assistance with their own resident sales and/or technical staff. In these cases the agent or distributor usually attends to the formalities of importation, delivery, warehousing, distribution, transportation and local office work. The exporter's own staff secure the orders and/or provide technical service when required.

Direct Selling

17. In some cases manufacturers may deal direct with the overseas user of his product. This is frequently the case in dealings with government or quasi/government organisations, or where large capital products, or one-off, custom-made items are concerned. The negotiations involved are often highly technical and protracted.

The company's organisation will reflect the need to identify potential buyers and to be aware of their particular purchasing requirements. It may often require the manufacturer's representatives to have authority to enter into an agreement on the spot.

The Granting of Licence or Franchise or the Sale of Know-how

18. The organisation associated with this form of exporting is distinctive and is normally centred on the management function. There is little direct selling or office effort apart from associated legal documentation.

Note :

A helpful list of definitions is given in the Board of Trade Export Handbook No. 3, "Organisation for Overseas Marketing", in which it is urged that closer attention should be given to more precise definition of terms.

CHAPTER 3

TRAINING FOR EXPORT OFFICE WORK

19. The main task in considering the training of export office staff is to identify the special knowledge which they need, in whatever type of exporting organisation they may be employed, which supplements the general office staff training which has been described in "Training for Commerce and the Office".* Before this special knowledge can be identified, it is necessary to describe the main functions which are carried out by office staff in an export organisation.

The Functions of Export Office Work

20. It is assumed in this analysis that the export office staff are not engaged in establishing markets or in seeking orders. These functions are described separately in the sections on export management and export representation. In general, the role of the export office is to cover the processes involved from dealing with the initial enquiry up to the final delivery of the order. This covers a number of stages which can be summarised in the the following order:—

enquiry, acknowledgment, study of feasibility, costing, quotation, order, packing, transportation, documentation, delivery and payment.

21. It is generally accepted that the total work of the office can be separated into two distinct sets of functions which divide themselves at the point where the product is ready for despatch. These two parts are:

export sales functions, and
export shipping functions.

This distinction is one of function, not necessarily one of organisation.† In many small firms both groups of activities or parts of each, may be carried out by the same person or sections. Some co-ordination between staff carrying out these functions

* Report of the Commercial and Clerical Training Committee of the Central Training Council. HMSO 7s. 6d. net.

† In large companies an "Administration Division" may perform the pre-shipment functions described in para. 27 below. Such an "Administration Division" might in practice process all orders (both home and export) between receipt and preparation for despatch and be closely connected with production control.

must exist and a knowledge of each other's function is desirable. But the *functional* distinction exists and something will be said about each part.

Export Sales Functions

22. The export sales office is usually concerned with procedure and administration from the original enquiry up to the time when the goods are ready for despatch to the customer; and with correspondence with customers, agents, representatives, etc. The export sales office staff may have to call on the knowledge and assistance of every other section of the company and need some knowledge of these other activities.

23. The functions of the export sales office staff in dealing with enquiries and orders up to the point of despatch can be broken down under the following headings:

- (a) receiving the enquiry; ascertaining its feasibility; ensuring that the price is calculated; and preparing the quotation. In preparing the initial quotation, the export sales office staff will need to check any special technical or packing requirements, and to consolidate prices if more than one item is required. They will also need to know the import regulations and terms of delivery and payment, currency rates and E.C.G.D. procedures, if applicable;
- (b) ascertaining the despatch date. This will require the confirmation of the production controller and a priority rating if necessary;
- (c) obtaining sanction of credit controller and approval of quotation before it is sent to the customer. The formal quotation will include particulars of the goods, details of the price and whether this is firm or liable to fluctuate, terms of payment and conditions of sale, and estimated date of despatch;
- (d) ensuring the quotation is sent to the customer and following it up; initiating investigations into orders presumed to be lost;
- (e) receiving the order from the customer and checking it against the quotation. Where the order is received without earlier quotation much of (a)-(c) has to be done at this time;
- (f) obtaining production controller's sanction, priority rating and credit controller's permission, if applicable;
- (g) acknowledging the order and informing the local agent, if necessary, of the order;

- (h) arranging for the preparation and issue of the works order ;
- (i) informing records or statistics department of the details of the order. This will permit the preparation of returns for E.C.G.D. and requires an understanding of their facilities ;
- (j) confirming date of despatch to clients, agents or distributors and notifying any unavoidable changes ;
- (k) progress chasing, which may be carried out by a special co-ordinating department or by the shipping department ;
- (l) handing over the order to the shipping department to arrange the delivery procedure.

24. Where consignment stocks are held overseas, knowledge of their level and turnover must be available to the export sales staff. The control of such stocks and their finance is, of course, a matter for management.

25. A major function of export sales office staff consists of correspondence with customers. In addition to correspondence associated with handling specific orders they may also be engaged from time to time in general correspondence with customers, agents, distributors, branches, overseas representatives etc.* They will also be expected to have some current understanding of the political, social, economic and commercial conditions of the markets with which the company is dealing.

Export Shipping Office Functions

26. The export shipping function normally commences when the works order is issued and takes over fully when the goods ordered have been produced and are ready for despatch. It may include responsibility for progressing (see para. 23(k) above). The export shipping office is responsible for ensuring that packing, documentation and delivery are effected efficiently and with out delay. The export shipping office is therefore closely associated with the accounts and transport departments and also has special contacts with external insurance and shipping organisations. The nature of the work of the shipping office staff is closely bound up with the procedures laid down for transporting goods overseas. These are complicated and technical. Although clerks do not necessarily need any specific knowledge of the company's products, they do require a detailed knowledge of transportation procedure.

* The term "export sales correspondent" is sometimes used to describe the export sales office functions. It may be associated with the activities of representation to cover both direct support for the overseas sales representative or the role of the representative himself between overseas tours.

27. The export shipping department's function is one where a sense of urgency is essential. It can be summarised as follows:—

- (a) linking with export sales, particularly if progress chasing is one of these functions ;
- (b) checking that the order complies with import/export controls and licences (including availability) relevant to the goods and the markets. This requires a knowledge of U.K. Exchange Control Regulations ;
- (c) checking letters of credit to ensure that, within their period of validity, they can be complied with ;
- (d) obtaining sanction, if needed, from the credit controller to proceed ;
- (e) deciding on the method of transportation, if not already specified ;
- (f) issuing instructions for packing and marking if not already given by the sales office. Export packing is a specific skill which is carried out in a separate department ;
- (g) chartering or booking shipping space* and confirming with the shipping company the delivery date to the docks ;
- (h) pre-entering at customs if necessary ;
- (i) issuing instructions to the works or to the transport office to ensure that goods arrive at the docks on time ;
- (j) issuing instructions to shipping or forwarding agents if these are used ;
- (k) drawing up all the necessary documentation.† This might include:—
 - (i) preparing dock and port delivery forms ;
 - (ii) lodging outward customs specification including pre-entry and/or claiming of drawback if appropriate ;
 - (iii) preparing and lodging bills of lading with shipping company or instructing air freight agents regarding air consignment note ;
 - (iv) obtaining marine insurance certificate ;
 - (v) obtaining certificate of origin if required, certified as appropriate by chambers of commerce or consul ;
 - (vi) obtaining consular invoices if required ;
 - (vii) paying freight charges and collecting bills of lading ;

* Where goods go by air, this sub-paragraph and subsequent ones should be read as relating to air space, air cargo, airports, airlines, etc.

† Particular attention is drawn to the aligned series of export documents. See "Simpler Export Documents" published free by the Board of Trade.

- (l) collecting, collating and cross-checking all the documents after shipment ;
- (m) passing documents to accounts department for collection of payment. If the collection of payment is the duty of the export shipping department, the following additional action must be taken and the accounts department informed :—
 - (i) preparing export invoices including declarations and signatures ;
 - (ii) where appropriate, drawing bills of exchange or operating letters of credit and sending original shipping documents to bank for collection ;
 - (iii) if the customer has an account, forwarding the accounts documents to him or to the agent ;
 - (iv) advising the customers or agents of action taken and sending copies of invoices and documents ;
- (n) advising records department of shipment details.

28. Para. 27 above sets out the functions associated with a specific export order. In addition there are a number of tasks which the export shipping staff may carry out from time to time, especially when costings are being prepared or revised. These include:

- (a) considering the cost effectiveness of alternative methods of transport ; e.g. air cargo ; container traffic ;
- (b) calculating freight costs for different products and advising the necessary additions to prices of products ; keeping a check on these ;
- (c) negotiating rates of freight with shipping companies, air lines, etc. ;
- (d) negotiating marine insurance cover and terms ;
- (e) in special cases where a load is abnormal in size or weight there will be a need to arrange special lifting or haulage equipment ; to notify the police ; to make special shipping arrangements ; and to notify the customer of these arrangements to ensure satisfactory off-loading and a check on the route from the port to his premises. These will necessitate special costings ;
- (f) considering the effectiveness and cost effectiveness of packing arrangements ;
- (g) negotiating and settling marine insurance claims.

29. It is an important part of the duties of export shipping staff to maintain close and friendly contacts with shipping companies, shipping and forwarding agents, transport companies, insurance companies and banks with whom they deal.

Training for Export Office Work

30. The export office clerk needs to build his special expertise on the general basic training appropriate to any office worker. In this report we are only concerned with the specific export content of his job. We set out some of the items the export office clerk should be taught as part of a planned programme of training aimed at giving him the special knowledge and skill he requires to perform his work efficiently. The functions listed above almost describe the training required, but for the sake of clarity we detail it below. All the following items should be taught but the list is not exhaustive and it will be for individual firms to analyse the work of their clerks and, by analysis, determine the content of the training programme. Similarly, the degree to which each item needs to be taught will be for individual firms to decide. Most firms recruit their office staff from those with previous experience of other parts of the company, or of other export firms, but some recruit school-leavers.* These two sources of entry will require different forms of training.

Export sales functions

31. The training of export sales office staff should cover :

- (a) company documentation procedures, covering the forms used and methods followed at each stage from the receipt of an enquiry or order to the goods being ready for despatch ;
- (b) sufficient technical knowledge of the product to make it possible to deal with the quotation and to follow up the production process or take any other action that may be necessary ;
- (c) familiarisation with the company's products, production processes, selling and accounting organisation. This should include an awareness of the structure of export trade outlined in Chapter 2 ;
- (d) methods of transporting goods and their effects on packing and documentation of shipments ;
- (e) procedures, terms and definitions used in export transactions ;

* The survey showed that one third of firms were prepared to recruit staff from school; the remaining two thirds sought previous experience either within the firm or with other firms.

- (f) knowledge of agents' and distributors' agreements ;
- (g) ability to correspond with customers, agents, distributors etc. To do this effectively some knowledge of production, shipping and accounting procedures is required ;
- (h) some knowledge (political, social, economic and commercial) of the markets with which the company is dealing.

Export Shipping Functions

32. The training of export shipping office staff* should cover :

- (a) company accounting and documentation procedures, including the forms used and methods followed at each stage from the time the goods are ready for despatch onwards ;
- (b) procedures, terms and definitions used in export transactions ;
- (c) methods of transporting goods and their effects on packing and documentation of shipments ;
- (d) preparation of the various documents, and an understanding of the procedures listed in para. 27(f) to (k) ;
- (e) insurance of goods including :
 - (i) effecting insurance ;
 - (ii) perils insured against ;
 - (iii) period of cover ;
 - (iv) losses covered ;
 - (v) claims procedure and recoveries from carrier ;
- (f) documentary procedures connected with transit in the importing country from discharge until delivery to the buyer, including customs clearance and compliance with import licence formalities. This knowledge will assist the understanding of shipping office work ;
- (g) preparation of costings, including the cost effectiveness of alternative methods of transport, including container transport ; negotiating rates of freight with shipping companies, air lines etc. ; negotiating insurance cover and terms ;
- (h) special arrangements for abnormal loads e.g. lifting or haulage equipment ; and special costings associated with these arrangements.

* According to company organisation, some of these functions may be performed in administration, works or finance offices. People so engaged would need the training suggested.

Export Payment Procedures

33. Arrangements to collect payment may be carried out either in the export shipping office or in the accounts department. The staff concerned should be familiar with the specific accounting procedures covering the following where they are applicable :

- (a) manufacturers' sales to merchants, distributors, branch and group selling organisations (including preparation of invoices). Agents' commission practices ;
- (b) status enquiries and other references ;
- (c) forms of payment, including open accounts, cash with order, cash against documents in the U.K. or abroad, bills of exchange, letters of credit and factoring transactions ;
- (d) credits and credit risk insurance, including Export Credit Guarantee Department facilities and corresponding foreign practices. The export sales clerks will also need to be aware of these facilities.

Export Office Supervision

34. Whoever may be responsible for the efficiency of the office and for taking appropriate policy decisions will need additional training in the supervisory and technical content of his post. His knowledge of the whole range of export office functions described in this chapter must be detailed and extensive. He must also be able to organise and control the work of the office and to supervise and instruct his staff. Guidance on training for supervisors in office work can be found in the booklet "Training for Office Supervision".* The recommendations for training given in that booklet are fully applicable to supervision in export offices. A training programme combining these recommendations with instruction in the specific export office functions outlined in this chapter should provide a satisfactory basis for training. One of the supervisor's principal functions will be to instil a sense of urgency in all operations in the export office.

* Report by the Commercial and Clerical Training Committee of the Central Training Council. HMSO 2s. 0d. net.

TRAINING FOR EXPORT REPRESENTATION

35. "Export Representation" is a term loosely applied to cover a number of functions. It may be used to describe the work of a member of the export staff who calls upon merchants, export houses and other buyers in the U.K. In this report it is used in its more usual sense, and applies to members of staff who represent the company overseas. It covers two broad categories, sales representation and technical services, which in turn may be carried out either by staff resident abroad or on short visits. There may be a supporting role, historically known as export sales correspondent, which gives home-based backing to the overseas effort. This requires most of the training associated with export representation. A good deal of overseas selling is undertaken by representatives employed by major subsidiaries, agents or distributors abroad,* and we discuss the training of this category of staff in para. 46.

Export Representation Functions

36. The main functions of export representation, as defined in para. 35, may be summarised as follows:

I SALES REPRESENTATION*(a) Representation*

To represent the company abroad (in the sense that the individual may be the only personal contact that customers, agents, distributors or other associated companies in that country have with the U.K. company); and to conduct sales negotiations and secure orders.

(b) Communication

To be a two-way channel of communication between the U.K. company and customers, agents, distributors or associated companies in the market.

(c) Information and Market Reporting

To render reports on the basis of which export strategy for that market may be reviewed. This will include an element of continuing market reporting about economic, political

* See Chapter 2.

and commercial conditions ; competitors' activities and products ; customers' attitudes ; and any indications of future changes in product requirement or demand. This reporting is frequently the only "market research" undertaken by the company in its overseas markets, although usually it can advantageously be supplemented by systematic and specialist research.

(d) Agency Supervision

To assist in the selection and appointment of agents or distributors and to make recommendations about continuation, variation or termination of such arrangements, including rates of commission. To supervise and report upon the performance of agents or distributors and to recommend ways of improving their performance. To motivate agents and distributors to accept and implement the company's strategy for the markets concerned, especially in regard to price policy, promotional methods, product mix and sales volume. To support the local sales force, agents or distributors by calling upon the more important customers, in agreement with the agent, and entertaining them.

(e) Planning and Budgeting

To assist in the preparation of marketing plans for the particular market, and to suggest methods of operation to achieve agreed targets.

II TECHNICAL SERVICES

To provide technical information and assistance to customers, agents and distributors ; to ensure that the local sales force is technically competent ; and to update their knowledge as technical advances are made or new products are introduced. To make provisions for pre-sales and post-sales assistance, service and maintenance to customers ; to deal with technical matters in negotiations (or in some cases, to call upon the assistance of technical specialists from the U.K. company as required) ; and to train local technical staff in these functions. To investigate (and, as far as possible, settle) any complaints of a technical nature that may arise.

Aptitudes and Experience

37. Export representation is both exacting and wide-ranging. In many cases the representative is acting as consultant to the company's overseas agents or distributors, and the emphasis is

more on marketing ability and judgement of situations than on direct selling. He needs to have more highly developed qualities of initiative, self reliance and environmental adaptability than his colleagues in home sales; his job usually involves much time travelling abroad under conditions new to him (at least initially), with less opportunity than the home salesman to refer back problems. This demands a high standard of self discipline, judgement and ability to learn.

38. The cost of training a representative for overseas work is considerable and the company should possess some assurance that the return on its expenditure will be justified. In recruiting a candidate for export sales representative the company would be well advised to seek the aptitudes and abilities which we discuss in Chapter 6. Of particular importance for this work are the powers of adaptation ("environmental adaptability"), communication, leadership and the ability to motivate others. Added to these, the standard of general education must be such that the representative will have the ability to absorb and to make use of the knowledge and experience of others.

39. The evidence from the survey suggests that a large percentage of companies appoint export sales representatives from within the company.* They may therefore already possess the essential knowledge of the company's products and their application. If not, this knowledge will have to be imparted. It is assumed that a candidate would not normally be selected for the post of export sales representative unless he had some experience of selling or providing technical service in the home market.

Training for Export Sales Representation

40. The training scheme for each individual will vary in the light of an analysis and comparison of the skills needed for the job and the qualifications which he already has. There is a considerable degree of interdependence between a firm's recruitment policy and its training programme. There are five contributory elements to export representation which seem to demand particular attention:—

- (a) the ability to understand and use the basic techniques of marketing in analysing customers' needs and supplying them;

* 79% of the firms in the survey recruited some export sales representatives from within the firm and 49% relied exclusively on this method of recruitment.

- (b) knowledge of the company's products and how they can best be utilised to satisfy the customer's needs or to increase his efficiency and profits. This also calls for knowledge of the products of major competitors ;
- (c) acquaintance with the cultural, social and religious customs of the country or countries where the export sales representative will be working ;
- (d) acquaintance with the business customs and business ethics of the country or countries where the export sales representative will be working ;
- (e) knowledge of languages and of techniques of persuasion, negotiation and reporting on market conditions.

41. As discussed in Chapters 8 and 9, the training scheme which develops these factors will be based partly on training within the company and partly on specialist training outside. The aim should be to ensure that each member of the staff involved in export representation receives appropriate instruction in the following :—

- (a) *Product knowledge* : This must include design, manufacture, and use* of the product, and must be kept up to date. In particular, men who are resident abroad should periodically be brought home for up-dating in this knowledge. The representative must not only be able to describe the technical advantages of the product ; he must also be able to identify fields for its application or use and recommend variations (which are within the bounds of practicability) that would make it more acceptable to that market. This will include a knowledge of the strengths and weaknesses of the products of major competitors.
- (b) *Sales methods* : He must understand the promotional and selling methods suited to the product and to the market. As the market variations in promotional methods, etc., may vary considerably according to the customs of that country, he must be able to interpret these to the people responsible for advertising and promotional material.
- (c) *Distribution methods* : He must understand the various channels of distribution suited to the product and the market, and the advantages and limitations of each. In particular he should be competent to recommend the appointment, continuation or termination of agency and distribution agreements, or alternative distribution methods.

* With capital equipment, the economics of operation form a most important consideration.

- (d) *Commercial conditions*: He must know how business is carried on in the countries concerned, the normal methods of trading, terms of payment and discount structure. He must also know the relevant import and exchange control regulations, tariff levels and anti-dumping laws. He must have sufficient awareness of local commercial, company and contract law and ethics to make certain that the company's policies do not infringe these matters. This is not to say that he needs to be a lawyer, but he must be able to identify the problem, and seek and interpret specialist advice where necessary. This also extends to matters such as patent law, marking regulations, and similar matters. He must fully understand and carry out his instructions limiting his discretion in such matters.

Languages

42. We believe that all staff who are engaged in export sales representation must be able to understand and to converse competently in the language or languages commonly used in the markets with which they are concerned. We have no doubt that languages form an important part of the training programme for export representation. We discuss the general question of languages in Chapter 6.

Specialist Techniques

43. A considerable part of the activity of export sales representation lies in explanation, persuasion and motivation. The representative must be able to explain the company's policy to customers, agents and distributors, persuade them of its value, and motivate them to implement it. This is especially important where the agent or distributor also acts for many other principals and may wish to follow policies other than those desired by the company. Additionally, the representative may be called upon to negotiate contracts and should receive appropriate instruction in the art and practice of negotiation abroad. He must also be able to transmit clear, concise and factual reports from abroad, and this may call for instruction in report writing and in the use of dictating machines, typewriters, etc.

44. No training scheme can hope to be more than an introduction, an effort to induce recognition when the situation occurs; and there are many fields in which knowledge of a subject will perhaps be of less importance than the ability to know where sources of information about that subject can be found. It is often imperative

to recognise quickly situations in which certain specialist knowledge will be required and then to employ the services of experts in these subjects, e.g. legal problems, particularly those which are applicable to the overseas country.

45. If a representative is to be resident abroad he should have the opportunity for a thorough introduction to the conditions in which he is to live and work. If he is married this should also be made available for his wife. It will include the culture, social life, living conditions, economic and political background of the people amongst whom he will live. In particular, an understanding of their history as taught in that country will do much to give an understanding of their behaviour. One such course is that given at The Overseas Service Course, The Castle, Farnham, Surrey.

Staff Based Abroad

46. The staff employed by overseas manufacturing or sales subsidiaries of British firms, or by agents and distributors abroad play a vital role in the selling of British goods overseas. It has been estimated* that the numbers in this group, together with staff employed permanently abroad by British firms, are as large as the staff employed in exporting in Great Britain. The great majority of this group are nationals of the countries in which they are employed. Those directly concerned with selling to customers often receive training in Great Britain by the firms whose goods they sell. Such training may cover general aspects of sales management and should certainly include product knowledge, including up-dating at appropriate intervals.†

* See "The Exporters—A study of Organisation, Staffing and Training" p. 38, published by Ashridge Management College.

† Appendix II discusses the position of foreign nationals under the Industrial Training Act.

TRAINING FOR EXPORT MANAGEMENT

47. In considering the training needs of managers concerned with exporting, it is particularly important to concentrate attention on the functions which are performed rather than the job titles which are used. Titles vary so widely from company to company that any common understanding would be improbable. Again, it is apparent from our enquiries that the "head of the export department" spends a good deal of his time on duties which are really those of overseas sales representation. A functional description of export management will avoid these ambiguities and will enable companies to identify these functions in their own organisation.

The Functions of Export Management

48. Certain of the functions of export management lie outside the operations of the export department. The different forms of export organisation have been described in Chapter 2. Although there will be wide variations from company to company, the major groups in which we would expect similar situations are:

Export houses: These are not manufacturers, but (as far as their U.K. activities are involved) they are totally concerned with exporting. The Directors or Partners usually perform the functions of export managers in such firms.

Exporting manufacturers: We use this term to indicate that the company does not manufacture abroad directly or through associated companies or franchise holders. The senior management (Managing Director, Marketing Director, Production Controller, Financial Controller) will take a number of decisions that relate to, or control, the company's export trade. This is especially the case for decisions in those fields where export trade has to be integrated into the total activity of the company.

International companies: We use this term to describe companies that manufacture abroad, directly or through associated companies or franchise holders. In these cases a "Director of Overseas Operations" may exercise overall control regarding both export trade and local manufacture abroad.

49. There are also certain "specialist services" on which both senior management and export management have to rely (e.g. legal, secretarial, personnel, finance, transport, insurance). Some of these may not be available within the company (e.g. patent agents). Where such "services" are used in connection with export trade it is important that those who offer them should have sufficient knowledge of the differing circumstances that relate to overseas trade. Where such specialist services are not available, or when these specialists do not have this knowledge of differing circumstances, the export manager and/or his staff will need a greater understanding of these matters and of appropriate reference sources.

50. Some of the export management functions we describe below may be performed by senior management as mentioned in paragraph 48 above. Whoever carries them out, these matters have to be handled at managerial level and require special aptitudes, skills, experience and knowledge. We set out these functions and then suggest the training appropriate to them:

- (a) interpretation of economic, commercial and political intelligence ;
- (b) evaluation of both present and potential markets, and of the product range for each ;
- (c) selection of products and markets based upon that evaluation ;
- (d) forecasting of demand, share of market and profitability ;
- (e) preparation of marketing plans and budgets based upon those forecasts including:
 - (i) price policy, including acceptable deviations from the normal price levels ;
 - (ii) terms of sale and periods of credit ;*
 - (iii) promotional methods and media ;
 - (iv) channels of distribution including, where appropriate, the provision and control of consignment stocks ;
 - (v) size and nature of field sales force ;
- (f) obtaining approval of these plans and budgets in order to ensure integration into total company policy ;
- (g) ensuring implementation by means of :
 - (i) determining detailed export strategy ;

* Credit terms are the overriding criteria in some countries.

- (ii) delegating operations to others ;
 - (iii) explaining, persuading and motivating others ;
 - (iv) exercising supervision and control ;
 - (v) ensuring that overseas representatives, agents, distributors and customers are fully and adequately informed of the company's policy and product development ;
- (h) deciding upon the appointment, continuation or termination of agents and/or distributors, and of the terms of such agreements ;
 - (i) deciding upon the use of overseas representatives both as residents and as home-based representatives ;
 - (j) giving general oversight to export office organisation, operations and personnel ;
 - (k) arranging, or being associated with the arrangements for, the selection, recruitment, training, progression and retraining of export staff, especially of immediate assistants and staff resident abroad ;
 - (l) generally making overseas opportunities, requirements, peculiarities and problems known to senior management and to the people both inside and outside the company on whom the export department rely for specialist services ;
 - (m) ensuring that management and staff are fully aware of changing overseas conditions. This calls for overseas travelling by the manager and his staff ;
 - (n) deciding upon and organising reports concerning particular field market surveys as required ; digesting reports submitted ;
 - (o) determining the need for variations to existing products to meet the requirements of other markets, and recommending these to production control and/or senior management ;
 - (p) influencing the design and development of new products so as to reduce the future need for such variations ;
 - (q) arranging to obtain and reporting upon the views of overseas customers on the products supplied ;
 - (r) ensuring that complaints from abroad are promptly investigated and satisfactorily settled ;
 - (s) ensuring the involvement of senior management in export policy and obtaining their co-operation ;

- (i) recommending to senior management markets that should be investigated with a view to establishing local assembly or manufacturing units, the negotiation of licences or franchise arrangements, or the sale of "know how";
- (ii) agreeing with senior management the level of expenditure on sales promotion and advertising; deciding upon its allocation; discussing policy with advertising agents or others undertaking such work; and maintaining oversight on costs and effectiveness;
- (iii) in the last resort, resolving conflicts within the export department—such as rival claims for priority of delivery—and negotiating on conflicts between the export department and other departments—such as failure to agree on acceptable credit terms with the financial controller.

Training : "Exporting for Managers"

51. A training scheme for export management must cater for the needs of other managers and specialists as well as those of managers primarily engaged in exporting. Export performance depends on their understanding and co-operation, and their awareness of the exporter's problems. They must also see that their own staff are so aware. They therefore need to know enough about exporting to be able to understand the main factors and it is important that training schemes should include provision for explaining export conditions and activities to them. These other managers and specialists are more numerous than managers directly engaged in exporting. The programme of training for them which we describe as "Exporting for Managers" could become a major part of the export training effort. There is room for innovation in providing "appreciation of export" courses for them. In general, this training should give an appreciation of the special conditions, problems, organisation and methods of exporting. It should illustrate this general pattern by a description of the actual exporting activities carried out by the manager's own company.

52. In addition, senior men not previously engaged in export sometimes:

- assume overall responsibility for marketing, including overseas operations and/or export, or
- transfer to export management, or
- form and operate an export department.

These men need, in addition to what we have called "Exporting for Managers", a sufficient appreciation of the "nuts and bolts" of export selling and clerical functions for them to be able to :

- control their staff performing such tasks ;
- recognise a situation in which they need specialist help ;
- be capable of stating this problem to the specialists and understanding the replies ;
- be competent to appoint junior staff and understand their training requirements.

Training : "Management for Export"

53. The other part of a training scheme might be described as "Management for Export". This would apply particularly to export managers appointed after previous experience in export work, either within the company or without. Such export managers will require training in all the normal management knowledge and skills, such as :—management accounting ; forecasting and the use and interpretation of statistics for that purpose ; communication, delegation and motivation ; budgeting, budgetary control and costings ; and organisational planning. Their training would however differ to the extent that it would also need to cover :

- (a) options that arise only in export trade (e.g. the selection of markets) ; the criteria by which they should be decided (e.g. a comparative evaluation procedure) ; and the financial implications of export policy decisions (e.g. price and credit policies) ;
- (b) complications that exist only in export trade (e.g. the effects of "trading in"—as opposed to "trading with"—a foreign country, in matters of contract law, taxation, etc.) ;
- (c) differing conditions of various markets in so far as they inhibit or determine policy decisions (e.g. E.E.C. regulations regarding exclusive dealer arrangements).

54. Some of the skills and knowledge that the export manager had acquired previously will need to be extended in depth. These include :

- (a) market knowledge—especially concerning economic, political and commercial conditions and changes in them ;
- (b) understanding of factors that cause these changes ;
- (c) an appreciation of the ethics, customs, commercial structure of a country and of the underlying reasons for them ;

- (d) a detailed knowledge of the promotional methods used, of the distribution network and of their relative cost efficiency ratios ;
- (e) the competitive situation in major markets, and of the means of determining the elasticity of both the total and the company's probable share in response to price, credit and promotion.

55. We believe that all managers who are primarily engaged in exporting should be able to understand and converse competently in at least one foreign language. The evidence of our survey suggests that the most important foreign languages in exporting are French, German and Spanish, and they should have some understanding of all these. We discuss the general question of languages in Chapter 6.

" Management for Export " : An Outline Syllabus

56. We discuss in Chapter 6 a number of qualities and abilities which we consider should be possessed, acquired or developed by exporters. These are all of importance in the selection and training of export management and should be sought and developed whenever possible. We set out below the main subjects which we feel should be included in " Management for Export ". As already stated the extent to which individual managers require this knowledge will depend on the type of company, the method of overseas operation and the extent to which specialist help is immediately available.

57. The following items should form the framework of a training programme :

- (a) *Product knowledge* (manufacture and application)
- (b) *Language tuition*
- (c) *Market information* (in relation to each major market*)

Economic information ; political understanding ; commercial practice and ethics ; import and exchange regulations ; commercial and contract law ; distribution facilities and techniques ; selling methods and outlets (agents, etc.) ; promotional methods and media ; patent practice, licences and franchises ; local branch office operation ; local production or assembly.

* It is appreciated that this could not be learned for every market. It is important, however, that these things should be known for those major markets on which the company's export trade depends.

(d) *Marketing practice* (in application to overall activity)

Principles of market research ; use and interpretation of statistics ; preparation and review of forecasts ; desk research ; field research—preparation of brief, commissioning of survey, interpretation of findings.

(e) *Finance*

Some knowledge of : costing methods ; determination of price policy ; preparation of budgets ; budgetary controls ; credit policy and control ; investment evaluation and control ; comparative evaluation of markets and products.

(f) *Payment procedures**

Invoices—requirements or forms ; bills of exchange ; letters of credit ; factoring.

(g) *Transportation of goods overseas**

Packing principles and practice ; shipping laws and practice ; marine insurance practice ; air cargo practice ; container and roll on/off practice.

* The Export Manager's knowledge of these items need only be sufficient to determine policy and to ensure effective organisation.

CHAPTER 6

APTITUDES, ABILITIES AND EXPERIENCE

58. In Chapters 3, 4 and 5 we discussed the main areas of knowledge which we believe are necessary to a proper understanding of the various activities in exporting. This knowledge can be taught and will form the basis of appropriate training programmes. We believe that there are also certain aptitudes or abilities which exporters should possess and certain areas of experience which they should acquire if they are to be fully equipped to meet successfully the particular demands of exporting, especially in the management and overseas representation functions. These aptitudes and abilities, although often desirable in many other activities, are of major importance in exporting. The problem is to be able to identify them initially and to develop them thereafter. We consider that companies would be well advised to bear them in mind when recruiting staff for exporting, or when promoting staff to positions of responsibility in the export field.

Environmental Adaptability

59. First in importance, and the most difficult to define precisely, is the possession of an attitude of mind which enables a person to adapt himself to the particular environment in which he may find himself at any time. He must be able to establish and maintain an immediate rapport with the overseas customer, understand and accept the customs of the country in which he finds himself, and be able to adapt himself to them quickly. For want of a better term we call this quality "environmental adaptability". It combines the extrovert's ability to get on with people with equal parts of sensitivity and business acumen. We consider that it is most important that people selected for this type of work have this latent quality and that it should be developed by controlled experience, adequate supervision, informed criticism and encouragement.

Communication

60. Secondly, the exporter should have a developed facility for communicating clearly and concisely, both verbally and in writing. The exporter is called upon to convey information accurately on

a wide range of matters in a variety of conditions. He needs to be able to understand and to transmit the wishes of the potential customer and the propositions of his own company. A telephone call from overseas to head office or a letter from the export sales office to an agent overseas may be the medium for achieving a sale or initiating a contract. Any mistake or ambiguity may have serious consequences. We believe that the ability to absorb and convey information accurately and speedily is one of the most important qualities which the exporter should possess and the need for this facility extends to all parts of exporting to a degree which is probably unequalled in other occupations. The need for exporters to have some facility in foreign languages is widely accepted; but we additionally emphasise the not so evident necessity for a command of clear, simple English. Apart from the need to be able to communicate clearly and accurately with his own office and officials, the exporter will often find himself in a situation overseas when he is carrying on a business conversation in English with a client whose knowledge of that language may be less complete than his own. It is important that he should be able to avoid ambiguity and misleading statements; and for this he must be able to draw on a wide vocabulary and grammatical skill.

Foreign Languages

61. We believe that anybody who is primarily engaged in export management or who is to represent his company overseas should be able to understand and converse competently in at least one foreign language, and should have at least some understanding of the other languages commonly used in exporting.* Clearly, for a man resident overseas the language should be that of most value in the country in which he is stationed. In addition to the obvious practical advantages of speaking the language, we believe that the evidence of a willingness to take the trouble to learn a foreign language (which is not always associated abroad with the British) will itself be of value. We bear in mind that the most important stages of negotiation abroad will usually involve the use of an interpreter.†

* Our survey showed the languages most commonly used by exporters are French, German and Spanish. There is some evidence that for certain industries Russian, Arabic and oriental languages are becoming increasingly important.

† Information on language courses is provided in "Exports, Languages and Industry" published as a supplement to the CBI Education and Training Bulletin, March 1968 issue available from the CBI, and in the January 1968 issue of "On Course" published free of charge by the Department of Education and Science.

The Ability to Persuade and Motivate

62. The next quality or aptitude which we single out is the ability to persuade and to motivate others to carry out the wishes or policies of the company. Much of exporting consists in working through others, often nationals of other countries, many miles from headquarters. Contact may be sporadic and supervision intermittent. The successful exporter should be able to inspire others to accept his company's policy and ensure that it will be carried out.

Previous Industrial Experience

63. Previous industrial or commercial experience is usually desirable, and frequently essential, for appointment or promotion to a responsible exporting post. In most export organisations the person appointed usually has some previous experience in one or more parts of the industry or the company. The overseas representative frequently needs previous experience in home selling, technical service or production. Export managers are usually appointed from executives with previous service in other parts of the company. There is also evidence that some export office staff are appointed after experience in other forms of office work.*

Special Experience

64. There are additional categories of experience appropriate to exporting which should be possessed or acquired. Staff who are based overseas, temporarily or permanently, and even those who are required to travel abroad, would benefit from a planned introduction to travel by undertaking journeys, preferably with a senior member of the export department. They should have the physical capacity and stamina to live and work in different countries and be able to meet very considerable changes in climate, altitude, seasons and diet. Those who travel frequently from place to place find that these changes and the problem of physical adjustment to local time demand a great deal of stamina. Although general advice about travel can be given in talks or lectures, there are a number of aspects of travelling abroad, particularly by air, which present problems of adaptation and conduct which can really only be understood through direct experience. In addition, the exporter travelling overseas needs to be able to draw on

* Our survey showed that 49% of firms recruited export sales representatives exclusively from within the firm and that more than half of the firms sought technical or product knowledge. 57% of Export Managers were recruited exclusively from within the firm. 30% of firms appointed shipping clerks and 27% appointed sales clerks after other clerical experience within the firm. 33% of firms recruited shipping clerks and 31% recruited sales clerks exclusively from other firms.

earlier experience of a number of special activities, such as reporting and negotiating, which he may have to carry out on his own, in circumstances and conditions where help is not available and mistakes may be costly. The place of those types of experience within the general training process has been discussed in the appropriate chapters on training.

IDENTIFYING TRAINING NEEDS

65. This chapter is primarily addressed to firms which are unfamiliar with modern training procedures. It outlines a system for identifying training needs as a first step towards carrying out the varied and extensive training and development which the previous chapters have shown to be appropriate for export staff. Although the need for training can usually be demonstrated without difficulty, it is often a problem for a company without an established training system to know how to set up the necessary framework for training. This is particularly true for the small firm. The problem is increased in export training by the complexity of export organisation and the relatively small numbers of people involved. In the next chapter we give general guidance on how to develop satisfactory training programmes.

66. Many of the firms with which we are particularly concerned in this chapter will have neither the means nor the opportunity to establish a highly sophisticated training scheme. They will be anxious to ensure effective training within the limits of their resources. We emphasise at the outset that the full value of training will not be achieved unless certain basic principles and procedures are followed. These are minimum requirements, common to all forms of training, and within the compass of all firms to achieve. Two preliminary stages must be completed before a training programme can be devised :

- an identification of company training needs and the establishment of a company training policy, and
- an identification of individual training needs.

The Identification of Company Training Needs

67. It is emphasised that training is—or should be—the responsibility of senior management. However much detail they may decide to delegate to others, senior management have an inescapable responsibility for deciding the training policy for the firm and for ensuring that it is understood and carried out. They alone have the authority to assess the need, to determine the policy and to authorise the necessary action. Where part of this work is delegated to others, it is essential that the appropriate authority should also be delegated.

68. Training must be planned to provide for future as well as for present needs. An assessment of the future requirements for export training will call for consideration of a number of variable factors, including the following :

Opportunities : the changing demands of overseas markets ; their capacity and willingness to import goods to meet those demands ; and the pattern of trade, especially the development of regional trading groups.

Resources : the ability of the company to produce the required goods at an economic price to meet demand. This involves the availability of materials, plant, capital, labour and expertise.

Policy : the allocation of resources to match opportunities, bearing in mind the many conflicting claims on those resources.

Only when these top management decisions have been taken can the future export trading strategy be expressed in terms of current export training requirements. A review of the existing export staff will show how far they will be able to meet the company's requirements, both in terms of numbers and ability. Some re-deployment may be necessary to allow the more experienced men to pioneer new markets or products. Some provision may have to be made to replace existing staff because of age or inadequacy. More staff may be needed to deal with expanding markets. A planned staff development policy will entail the training of staff to fit them for promotion. All existing export staff will need retraining or up-dating to keep abreast of product developments, changing techniques, or new methods of operation.

69. This identification of the company's training needs will enable the manager to draw up an objective export training policy which will cover aspects such as recruitment, training, promotion and retraining. It will provide for immediate and longer term needs and will establish a broad framework within which the company's training programme can be based. Each company will have training requirements within one or more of a number of broad categories, which are outlined in Chapter 8. An agreed pattern of training for each of the relevant categories will ensure consistency ; but within each category the training requirements of individuals will vary widely according to the functions which they perform, their qualifications, previous experience and the amount of training which they have already received. The next stage, therefore, is to identify the training needs of each individual member of the staff.

The Identification of Individual Training Needs

70. The training of export staff within the general training policy laid down by senior management will usually become the responsibility of the head of the export department. He may be assisted by personnel or training staff, but the specialised nature of export training will mean that he and his senior export staff are likely to have to contribute extensively from their own knowledge and experience. There are two steps which the manager in charge of training will have to take :

- (a) the preparation of a job specification for each member of his staff, based on a thorough analysis of each job ;
- (b) the identification of individual training needs by a comparison of the job specification with an appraisal of individual performance.

Once individual training needs have been established he will be in a position to consider the best way to construct training programmes to meet those needs and to isolate the common elements applicable to a number of individuals which can be given jointly. The essential starting point is the preparation of the job specification.

Job Specification

71. It has already been stated that job titles and organisation in exporting vary widely between and within firms. We have discussed training under three main functional headings: office, overseas representation and management. In many companies, export staff may operate in more than one of these fields, and the only safe guide to training is to analyse the actual job performed, breaking it down into precisely defined activities. The outline of the various export activities described in Chapters 3, 4 and 5 will serve as a rough check list to ensure that none of the major duties has been omitted. The record of activities analysed in this way constitutes the job specification.* It is important that the job specification should do more than reflect the job as currently performed ; it should take into account desirable improvements or imminent changes.

Appraisal of Performance

72. It is possible from the detailed activities provided by the job specification to set out the full training which would be needed to enable the job to be performed effectively. However,

* The method of drawing up a job specification described in " Supervisory Training—A New Approach for Management ", HMSO, 4s. may be found helpful by firms which are unfamiliar with the techniques involved.

most people bring to a job some previous knowledge, skill or experience, and the actual training needed by each individual will be determined by an appraisal of his present performance and his skills and experience. In the case of existing staff, the need for training may be detected, for example, by a failure in performance in the present job, or by unreadiness for a new job because of an evident gap in knowledge. However, it must also be borne in mind that poor performance may be due to causes which cannot be met by training, e.g. innate personal limitations, or faults in organisation beyond the person's control.

73. In most firms, the appraisal of performance is conducted for a variety of purposes. If it can be clearly stated that the appraisal is to be a joint effort directed particularly towards discovering what training may be needed, then it is more likely to lead to a frank exchange of views, with the person being appraised contributing his ideas and his hopes for the future. A knowledge of the future plans and needs of the firm, together with a knowledge of individual aspirations, enables career development to be undertaken with some chance of satisfying both the individual and the firm. The comparison of an individual's performance, skills and experience with the job specification of his present post, or of the post which he is to fill in the future, will indicate the gaps which his training programme will be required to fill

A TRAINING PROGRAMME : IN-COMPANY TRAINING

74. There are a number of categories of staff in the export department who will need different forms of training. For example, most firms will find that their identification of training needs will reveal that they have people in one or more of the following categories :

Existing staff in present posts : There will periodically be a need to bring existing staff up to date with changes or developments in the export field, such as, for example, changing pattern of markets, introduction of improved methods of transport or documentation, or changes in product ranges.

Promotions made from within the export department : Staff promoted within the company will need training (preferably before taking over their new posts) in a number of matters to fit them for their new responsibilities, e.g. a sales representative promoted to export management will need to be made aware of the wider financial implications of price and credit decisions (see paras. 53-55).

New appointments from other exporting organisations : Apart from training for any increased responsibilities, these people will have a special need for induction training and familiarisation with the company's products and methods of operation.

New appointments from non-export departments within the company : These people may be conversant with company products and financial procedures but they will need training in basic export matters, and perhaps in some special aspects of exporting. We mention, in para. 52, an example in the management field.

Senior managers and specialist staff outside the export department : There is a need to give these people an understanding of export matters, and an example of this is given in the proposal for "Exporting for Managers" appreciation courses in para. 51.

Trainee entrants from school: Companies have a special responsibility to pay particular attention to the career prospects of young entrants to the export field. Young entrants with the necessary ability must be given opportunities for career training, in addition to induction and whatever other training may be necessary to familiarise them with the company's products and procedures and enable them to begin their first jobs. They should also be encouraged to develop their proficiency in foreign languages.

Graduate and professionally qualified entrants: If it is the company's policy to recruit graduates straight from college or university or young entrants with broad marketing training or qualifications, they must be given a planned programme of induction and experience, including language training, to introduce them to export trade. This should be planned to meet their long-term needs, irrespective of the urgency of the work load.

Overseas nationals acting as sales representatives or agents: This form of training, if appropriate, should be included in the total picture. The particular need is for regular familiarisation training in the company's products and methods. There may well be advantages in arranging this training in association with the training of home staff, to enable both to meet and to exchange experience.

75. It would be misleading for us to attempt to set out a number of draft training programmes which could be used by firms. Each firm's training scheme will vary in the light of its own particular needs; and the training programme for each individual must be related to his particular training need. There will be areas of training which are common to more than one individual. These can be combined into a joint programme. Similarly there will be areas of training which can be combined with other forms of training in the company, particularly for office staff, and frequently for management. The recommendations set out in Chapters 3, 4 and 5 provide a check list of the areas of knowledge and experience appropriate to all the export functions. It will assist the training manager to pinpoint the individual's requirements and then to draw up a training programme to meet them. This programme will combine in-company and external training, and may well include a number of different methods including formal lectures by specialist staff, individual coaching by experienced men, visits to other firms, external courses and, where appropriate, travel or secondment abroad. We cannot emphasise too strongly

that having made these arrangements it is management's responsibility to ensure that they are put into effect. They should check periodically that the programme is being followed and, eventually, that it has been satisfactorily completed. Some of the main factors which should determine the form of training are discussed below.

The Place of In-Company Training

76. Much of the training for export staff can best be provided within the company, so long as it is properly organised. Indeed some important areas of training can only be covered by training inside the company, for example, instruction in the company's products—whether the need is for a general introduction or for training in depth. Similarly, training in the actual operation of the export department, for example, documentary procedures and methods of operation, is generally best provided within the company. In addition, there are a number of specialist areas, such as the company's financial and marketing practice, where staff with specialist knowledge may be capable of giving instruction. Although most companies are likely to make use of external courses to meet some specific needs, there must also be an associated in-company programme to relate the knowledge gained to the operation of the company. In-company training, properly given, is an important element in the training of export staff. The instruction is directly relevant to the company's needs, and the trainee gains an immediate insight into the actual work situation and is introduced to other members of the staff. The manager responsible for training should therefore assess how much of the knowledge and experience required by each trainee could be given within the company itself.

Essential Features

77. In drawing up the in-company part of the training programme, it is essential that the content should be systematically planned, agreed with all the people involved and written down; and at the same time the appropriate method of training should be discussed and agreed, e.g. talks, programmed instruction, demonstrations, practical work or, if appropriate, case studies or films. If care has been taken in drawing up the job specification and in identifying the individual's needs, it should not be difficult to draw up a programme in association with the appropriate works and office staff to provide training to the extent and depth required to meet them. Thus, for example, an induction course for a new entrant might be relatively short, perhaps consisting of a number of talks, lectures or discussions interspersed with visits

to departments or offices, designed to give the trainee a general introduction into the company's staff policies, works procedures, products and services. On the other hand, training in the company's products would vary in length and intensity according to the type and range of products and the needs of the trainee for this type of knowledge. The shipping office clerk discussed in Chapter 3 will need little more than a guided tour of the factory and a short introduction to the main features of the products, designed to familiarise him with transport risks and the factory procedures, the main centres of production and the people who can give him advice. The export sales clerk will need rather more technical instruction in order to be able to understand the main features of the products and the terminology used to describe them. The representative, on the other hand, will almost certainly require an extended period of training to fully understand the company's products, involving direct contact with the staff engaged in design, development and production, and perhaps including some practical work in the factory area. He will probably need to acquire experience in the use and application of the products as well.

78. As the above examples show, the nature and depth of training in the company's products will be a matter for discussion and agreement with the technical and production staff concerned. The same considerations will also apply to other in-company training of this kind including, for example, office procedures, documentation, financial policy, payment procedures, publicity methods and other areas where it is possible to arrange for training to be given within the company. In each case a programme, based on the job specification, should be worked out in agreement with the person who will be giving the tuition.

79. A second essential feature of in-company training is to ensure that it should be more than the "sit by me and watch" variety; and that those principally concerned in giving the training should have some insight into the techniques of training. In a busy department or in a small firm where there is little spare staff capacity, it is often tempting to believe that training can be given by allowing the trainee to sit and watch, with perhaps an occasional word from the tutor in the course of his work. This is not satisfactory. Training must be properly organised; and those who carry it out should have some coaching in how to instruct. Whilst we fully recognise that the person most knowledgeable in a particular subject is likely to be too busy to undertake a lengthy course in instruction techniques, it is a

fact that if he gives ineffective tuition he is merely wasting his valuable time. The amount of instructor training will vary with the individual's responsibility for training. The training officer of a larger company will, or should be, fully trained in instruction techniques. The manager responsible for training in any company should at least have attended a course of instruction in training techniques. People in the various departments who will be required to give tuition should be given a brief course in instruction techniques, possibly arranged within the company. It must be emphasised that in-company training is most likely to be effective if the tutor has an inclination and some flair for such work, which could be developed by more detailed training. For the reasons already explained, much of the training for export will be given within the company and by a number of people. We regard their training in how to instruct as so important that we hope training boards will give this matter early attention.

80. Finally, in-company training must have the full support and encouragement of senior management. One major problem of export training is that the specialist nature of many of the subjects means that the instructor is often a busy person with little time to spare. This additional task should be fully recognised and allowed for, and the importance of the contribution to the profitability of the company should be stressed by senior management to the individuals concerned.

Training Methods

81. Whilst the bulk of in-company training will probably consist of talks, discussions, lectures and personal tuition, it is important for the training manager to consider whether any parts of this export training programme lend themselves to the use of impersonal training material such as films, tapes, books, etc. Whilst these media can save time in actual instructional sessions, their use requires careful oversight to ensure that the trainee has properly understood and remembered the subject matter. Field experience, especially for overseas representatives, is an essential part of in-company training. As such, it requires careful planning and supervision. A man who took a decision on his own in the field, because there was nobody to ask, may well assume that the decision was ideal. In fact it may have been a poor second best ; and yet he may attempt to apply it in subsequent cases which themselves are not necessarily identical situations. Time should be found to discuss such situations in

depth and to establish the validity of such experience for the future. This involves a considerable amount of work on the part of the supervisor and it should be recognised that this is an important part of the function of the export manager. His work-load should be adjusted accordingly.

A TRAINING PROGRAMME: EXTERNAL COURSES

82. External courses are a valuable part of the training programme for export staff. The extent to which they are used must vary with the circumstances of the firm and the particular requirements of the trainee, but they are likely to play some part in all forms of training. By their nature they are general in content, and they are, therefore, particularly appropriate where much of the material to be taught is common to a large number of trainees; for example, in the training of office staff. They are also frequently used for language training. They enable staff to mix with men from other companies or industries, and to discuss common problems from a variety of standpoints based on different experience and practice. Because of this, they are often a valuable means of providing suitable training for management, which depends to a great extent for its effectiveness on giving men a wider view and a deeper insight into policy making methods.

83. Although not numerous, there are a range of types of external courses, from degree level to short, intensive, courses of one or two days dealing with specific aspects of exporting, such as, for example, selling in Europe. As in most fields of study, it is possible to find courses of various lengths which require full time residence, evening attendance, day release, block release or home study. Many of the short courses are provided by colleges of further education, which will also usually agree to put on specially arranged courses if there is sufficient demand. Correspondence colleges and some technical colleges provide tuition for professional examinations. Various national centres tend to specialise in particular types of course. The British Institute of Management has published a survey, "Export Courses in the United Kingdom", with an interesting introduction by Mr. D. A. Tookey. The situation is continually changing, and we include at Appendix III a list of sources of information of currently available courses.

84. There is at present no critical evaluation of the courses which are available. We hope that implementation of the recommendations we make in Chapter 10 to industrial training boards and

educational authorities about the provision of external courses will help to establish recognised standards. In the meantime, training boards might consider that some general advice should be given to companies in the selection of courses. The most important criteria which should be suggested are:

- (a) the aims of the course and its contents should be clearly stated ;
- (b) the background, experience and qualifications of the students for whom the course is designed should be specified ;
- (c) detailed programmes with session synopses should be given. An indication of teaching methods to be used and details of supervised practical exercises and projects should be provided ;
- (d) the means by which the effectiveness of the course are to be assessed should be stated ;
- (e) the teaching staff must be adequately qualified and have appropriate experience to carry out the stated aims and must be supported by suitable technical and clerical staff ;
- (f) the organisation offering the course should possess the necessary physical facilities and administrative capacity for the successful running of the course.

Vocational Export Training

85. External courses for export staff have to cater for two main needs: vocational education for younger staff and short courses to meet the needs of others with experience in industry or commerce. We recommend that the pattern of vocational education in exporting should be studied by the appropriate educational and examining bodies, in association with the industrial training boards, as a matter of urgency, with a view to establishing a coherent pattern of training. At present, vocational education is largely based on courses designed for the examinations of a number of professional bodies. Whilst recognising the admirable work which these bodies have done, we would like to see the training of export staff brought firmly within the national pattern of studies and qualifications and based at the preliminary and intermediate level on the Ordinary National Certificate in Business Studies, and its Scottish counterpart. The reasons for this are set out at length in the recommendations for administrative and professional trainees in the booklet "Training for Commerce and the Office";* and we can see every advantage in

* "Training for Commerce and the Office" op. cit. para. 88.

export staff following the same pattern. We hope that the professional bodies concerned with exporting will accept this pattern of entry, as others have done, and concentrate on the professional requirements for exporting at the post-intermediate level. There is also a need for a greater provision of export courses at other levels of the national education pattern. There is a need, for example, for special export studies to be associated with the Certificate in Office Studies for young office staff who are unlikely to proceed up the professional ladder. These could be taken as endorsements to the Certificate, or as special additional subjects.* Equally, there must be a great expansion in provision of export-orientated diploma and degree courses.

Short Courses

86. The majority of courses for office work will be of the kind described in para. 85. Training for export representation, discussed in Chapter 4, lends itself to specially designed in-company courses because of the dependence on knowledge of the special organisational and product requirements of the particular firm. Short external courses will be useful in providing supplementary training in specific subjects. The newly appointed sales representative, for example, would certainly benefit from attending a course on the principles of marketing. The experienced representative may be helped by a short refresher course on developments in export transportation. Many sales representatives will need external courses in foreign languages. We also recommend that resident representatives should be given a thorough grounding in the practices of the country to which they will be going.

Management Courses

87. The external courses required by managers will depend on their career pattern, their experience, and the training in general management which they have already received. Export management training will depend largely on external courses, and there is a need to develop the number and type of courses provided. One of the companies to which the drafts of Chapters 3, 4 and 5 were submitted for comment said that, whilst fully accepting what was said in Chapter 5, they felt that it implied standards which had never been expected or achieved by the Export Manager in their own organisation. We emphasise again that in that chapter we are concerned with the management of export rather than with

* This pattern exists in Scotland with "Export Practice" and "Shipping Practice" courses which can be taken as endorsement subjects, or as single subjects in their own right.

the particular job of the head of the export department. There are two main areas where suitable external courses may be appropriate :

- (a) All senior managers and specialists should know enough about exporting to enable them to support the company's export effort, particularly if the decisions which they take can affect export performance. The senior management team must know and understand overseas opportunities and requirements so that decisions on such matters as product design, productive capacity, capital allocation and promotional methods can be based on both the home and the overseas markets. There is a need for this "appreciation of exporting" to be included in all courses designed for senior management.
- (b) The experienced exporter who is promoted, or who is earmarked for advancement, to export manager mainly needs a combination of general management studies combined with a deeper insight into the export conditions in which his management activities will take place. Centres which provide such courses have told us that they are particularly difficult courses to fill. There are comparatively few of these men, and they are away from their homes and their desks so much that courses of this kind are looked upon as an additional burden.

88. There is a need for advanced courses of variable length, preferably residential, at appropriate stages in a manager's career. We recommend that such courses should be encouraged and approved by industrial training boards at a limited number of centres. The criteria for approval should be the availability of :

- (a) teaching staff with practical, relevant and up-to-date export experience ;
- (b) residential accommodation, equipment and administration commensurate with the advanced nature of the courses ;
and
- (c) an adequate supply of qualified students.

Some of these courses would have to be short and very intensive and we think that they should all include advanced teaching techniques such as case studies, exercises and business games. The provision of too many centres would spread the available students and teachers over too wide a field and hinder rather than help their development.

The Provision of Courses

89. We have already alluded to the scanty provision of external courses for export. The survey "Export Courses in the United Kingdom" identified only 25 centres which were putting on exporting courses out of a total of 1,400 universities, colleges of further education and commercial training organisations which were circularised. The lack of courses is often due to the absence of known demand; and because no course is available there is often no stimulus towards training. Sometimes colleges have taken the initiative and mounted an export course, only to find that it could not be maintained because of lack of support from industry.* Enthusiasm and interest by individuals and at local levels can have an immense influence. We know of one exporter in the Midlands who found no export courses for his staff at the local college, and no existing demand in the area. By his personal influence with local industry he stirred up enough interest to produce both courses and students. Three of the prizes of the Institute of Export were won by students in that centre for a period of three years. Had that man been prepared to accept that nothing could be done, both those students and the national export effort would have been the poorer.

90. Local initiative by individuals, colleges and local organisations can do much to help increase the provision of courses in line with industry's needs. Nevertheless, we believe that this matter is so urgent and nationally important that it requires co-ordinated action at national levels. There are two major tasks. There is, firstly, an urgent requirement for improvisation to ensure an immediate improvement in the number of good quality courses of all kinds. There is, secondly, the equally important task of changing the pattern of export courses from its present bias towards evening and spare time study to a general acceptance of day, block or full time study for all grades of staff. We ask the industrial training boards to give urgent consideration to these tasks in consultation with the educational authorities. It is a matter which affects many training boards and one which lends itself to joint action on their part. In making this plea, we outline some of the practical problems which will have to be faced and we suggest some possible lines of development which training boards may care to consider.

* Our enquiries a year later revealed that four of the 25 centres mentioned in the BIM survey had discontinued export courses from lack of support.

The Problem of Numbers

91 The number of trainees requiring instruction at any one time is unlikely to be large and, in some firms and localities, may be quite small. Exporting is a minority occupation. It has been estimated that the total number of people engaged fully or part-time in exporting in industry is no more than the equivalent of 30,000 full time staff, of whom 18,000 are employed on the office functions.* In addition it is believed that some 10,000 are employed in export houses. We suggest that industrial training boards should consider encouraging the application of the group training principle: with firms joining together to set up joint training schemes based on an industry or a locality, leading in turn, to a local demand for courses to meet their needs. This might be particularly helpful in provincial centres. Similarly, it may be possible to encourage the provision of courses on a regional basis, perhaps with some specialisation of subject matter in each region.

The Provision of Teachers

92 The specialised content of export courses implies that teachers must be men with practical and up-to-date experience, combined with teaching ability. Such men, of course, are not easily found, and if courses are to be provided during the working day, the problem of providing suitable staff is made more acute. At present, some teaching in exporting is given by practising exporters who are busy men, frequently abroad. At least part of the reason for the present bias towards evening classes is that such courses have to rely on the services of a few dedicated men who are prepared to lecture at the end of the working day. This problem of providing teaching staff for day courses is primarily the responsibility of the education authorities and involves questions of salary and status. Industry and commerce can and must help. We recommend that arrangements should be developed for teachers of export subjects to be seconded to suitable firms at appropriate intervals. We also recommend that firms which have suitable men who could give lectures at colleges should be encouraged to allow them to do so. This should be a planned arrangement, not conditional on work pressures, and allowing time for proper preparation. We particularly ask industrial training boards to consider the possibility of encouraging this form of participation by grant aiding firms for the loss of services which it may entail.

* "The Exporters" op. cit. p. 24. Insofar as the staff employed part-time need training, the total number of staff to be trained would be higher.

The Content of Courses

93. Finally, there is the problem of the content of courses. As we mentioned in our first chapter, part of the reason for the lack of support for some of the courses put forward by colleges is that industry often doubts the relevance of the subject matter to its needs and problems. Here we suggest that the guidance which we set out at length in Chapters 3, 4 and 5 will help to bridge this gap. We recommend these chapters to industry and to the further education services as outlining a framework of exporting knowledge and skills which can be taught and applied to the specific needs of the firms or industries concerned. We put them forward particularly for the consideration of industrial training boards in their task of developing and extending export training. We put them forward also for the consideration of educational establishments of all types which will need to play their part in the essential expansion of courses of all types, relevant to the needs of industry. If, as we hope, the need to train export staff becomes widely accepted, it will lead to a greater impetus for all concerned to get together to build up the necessary facilities.

A check list

94. This chapter and Chapter 8 set out to give advice on drawing up training programmes in which in-company training and external courses will be integrated. Many firms will already have arrangements covering much of what we recommend, others may not yet be so advanced. We hope that the former will use this check list to see where improvements might be made in their present schemes and that it will provide signposts for the latter to show them which way to go.

- Is there an established training policy for export staff?
- Have job specifications been drawn up for each job?
- What arrangements are in force for ensuring that any training given is related to the actual needs of the individual?
- Is there a plan for the training of new entrants?
- Does it provide separately for entrants with different qualifications and experience?

- Would it be desirable to train your sales representatives so that they could be moved from one market to another?
- How many of your staff who work in or visit foreign countries are fluent in the appropriate languages?
- Do your immediate subordinates know that you regard the training of their staff as one of their chief responsibilities?
- What arrangements have been made to help the numbers of staff who frequently instruct others to do so in the most efficient way?
- If you recruit a man with export experience, what training does he receive?
- Is this adequate?
- Can you readily find out from the records what training any member of your staff has received?

RECOMMENDATIONS : CONCLUSION : SUMMARY

Recommendations

95. *WE RECOMMEND that industrial training boards* should give immediate consideration to encouraging all forms of export training, through their grant schemes or by such other methods as they may consider to be appropriate. This is a matter which affects most training boards and one which lends itself to joint action on their part. We ask them particularly to :

- (a) seek to establish in industry a pattern of organised training for exporting based on the recommendations in this Report ;
- (b) encourage companies to join together to provide joint export training schemes (para. 91) ;
- (c) consider, in association with the education authorities, the best way to develop and extend the provision of external courses, including the possibility of regional centres specialising in particular subjects (paras. 90-93) ;
- (d) consider, in association with the education authorities, measures to increase the supply of competent export teachers, and to give every possible assistance to colleges to this end (para. 92) ;
- (e) encourage, in conjunction with the education authorities and appropriate professional bodies, the introduction of a uniform national system of export courses and qualifications (para. 85), and an increase in the provision of day release, block release and full time study (para. 90) ;
- (f) consider measures to provide training in instructional techniques for export staff assisting in training programmes within industry (para. 79).

96. *WE RECOMMEND that all those concerned with the provision of export courses* should :

- (a) give urgent consideration in association with training boards and industry to increasing the provision of all types of external export courses, full time and part time, based on the material set out in Chapters 3, 4 and 5 and the proposals in Chapter 9 of this Report ;

- (b) consider, in conjunction with training boards and the appropriate professional bodies, the introduction of a uniform national system of export courses and qualifications (para. 85) ;
- (c) consider, in consultation with training boards where appropriate, measures to ensure a sufficient supply of (i) teachers with up-to-date experience of exporting and (ii) up-to-date teaching material (para. 92) ;
- (d) consider, in conjunction with training boards, the need to increase the extent of day release, block release and full-time study in exporting (para. 90).

97. *WE RECOMMEND* that all companies and firms engaged in exporting should review their arrangements for training export staff in the light of the recommendations of this Report, and in particular should :

- (a) establish a systematic assessment of company training needs and of individual training needs based on job specifications and appraisal (Chapter 7) ;
- (b) draw up agreed, planned, training programmes as described in Chapters 8 and 9 of this Report. These training programmes should be based on the training pattern given in Chapters 3, 4 and 5 of this Report ;
- (c) ensure that staff instructing others are themselves properly trained in the techniques of instruction (para. 79) ;
- (d) encourage the provision of suitable external courses, possibly in co-operation with other local firms (para. 89) ;
- (e) assist the education authorities to provide (i) teachers with up-to-date experience of exporting and (ii) up-to-date teaching material (para. 92).

98. *WE RECOMMEND* that all companies should ensure that export staff acquire the appropriate knowledge of languages recommended in this report, and that industrial training boards and education authorities should take positive steps to increase the provision of this language training (para. 61).

Conclusion

99. We are aware that some people feel that we should go beyond the advice given in Chapters 8 and 9 and provide ready-made training programmes for export staff which companies could use ; and recommend specific export courses to which staff could be sent. Although sympathetic with this desire for detailed guidance, we are sure that it would be undesirable, even if it were possible. The training appropriate to different companies and individuals must vary with their circumstances and will continually change with changes in the export scene. We emphasise that a company which properly understands its training requirements is more than half-way towards meeting them correctly. We hope that the publication of this Report will lead to a substantial expansion of export training and to a development of syllabuses and an experimentation in methods of training designed to teach the knowledge and skills which we have outlined. We hope that firms will exchange experiences and ideas. We hope that training boards will build up a knowledge of the most fruitful training practices and the most suitable external courses and disseminate their use throughout industry ; and that they will pay particular attention to meeting the special training problems of the small exporting firm.

100. In this Report we are primarily concerned to help to bring about a change of attitude in this country towards export training : from the present widespread lack of interest to a general acceptance that export training is essential as a means to increase company profitability and export performance. We have drawn attention to some of the reasons for the present backwardness in the provision of training, and we have sought to show some ways to overcome the problems. We have set out to demonstrate that exporting requires teachable knowledge and skills which can be adapted to the needs of every company, large and small, and to the needs of every individual engaged in exporting, from office clerk to senior manager. We ask that all who are able to help to bring about this change of attitude should do so as a matter of urgency. This calls for action at all levels : government, training board, educational establishment and company management.

Summary

Chapter 1. The Case for Export Training

Para.

1. The export organisation of companies can take a variety of forms according to the methods which they adopt ; and their training requirements will vary accordingly.
2. Exporting is an integral part of the whole marketing plan on which a company's strategy is based ; but this study of exporting excludes the wider fields of home selling and marketing as outside the terms of reference.
3. The importance of a successful export trade to the prosperity of the country is axiomatic. Inefficient methods and mistakes can be more harmful in exporting than in other activities.
4. The export scene is never static. The impact of containerisation is a current example of the constant need for retraining.
5. Training and retraining of export staff are essential for successful export performance ; but the present provision for both is deficient.
6. External courses are few and there is a lack of demand or support for them.
7. A survey of the training practices of firms awarded the Queen's Award to Industry in 1966 showed a varied provision for training and established no pattern which could be recommended for wider adoption.
8. Job titles have different meanings in different firms and there is little evidence of job analysis.
9. Variation in organisation and the lack of agreed definition in job titles have been overcome in this Report by analysing the office, representation and management functions, and associating the appropriate training with those functions. Companies will be able to relate their own organisation and training needs to these general functional descriptions.
10. Training for exporting must be built on the basic training for manager or office worker. But the need for improved export training is urgent and it is hoped that training boards, colleges and company management will give urgent attention to stimulating the training which is recommended.

Chapter 2. The Organisation of Export Trade

Para.

11-18. The pattern of export trade organisation is summarised.

Chapter 3. Training in Export Office Work

Para.

19. It is important to isolate and examine the specific export content of export office work.
20. Export office work is concerned with the processes from the initial enquiry up to the final delivery.
21. Export office functions divide broadly, for convenience of presentation, into export sales office functions and export shipping office functions.
- 22-25. The export sales office functions are analysed.
- 26-29. The export shipping office functions are analysed.
30. The nature of training for export office work is discussed.
31. The recommended training for export sales office functions is discussed.
- 32-33. The recommended training for export shipping office functions is discussed.
34. Training for export office supervision must cover the whole range of export functions plus the general training appropriate to office supervision.

Chapter 4. Training for Export Representation

Para.

35. "Export Representation" covers two broad categories, sales representation and technical services overseas. Much of overseas selling is undertaken by representatives employed by subsidiaries, agents and distributors abroad.
36. The main functions of export representation are described.
- 37-38. The aptitudes and abilities that companies should seek in their export representatives are discussed. Export representatives need more highly developed qualities of initiative, self reliance and environmental adaptability than do home salesmen.

39. Evidence in the survey suggests that a large percentage of companies appoint their overseas representatives from within the company.
40. Training schemes for representatives will vary with needs and experience, but five important elements common to export representation are discussed.
41. The subjects in which those engaged in export representation should receive instruction are listed.
42. Export representatives must be able to understand and converse competently in the language(s) of the markets with which they are mainly concerned.
43. Representatives must be able to explain the company's policy to customers, agents, etc., persuade them of its value and motivate them to implement it.
44. They need to recognise the need for specialist help and where it can be found.
45. Representatives resident abroad should have a thorough introduction to conditions in which they (and their families) will live and work.
46. Staff employed by overseas subsidiaries would benefit from training in this country.

Chapter 5. Training for Export Management

Para.

47. It is essential to concentrate on functions because of the variation in management job titles.
48. Some functions of export management lie outside the export department.
49. There are also "specialist services" on which both senior management and export management have to rely. These specialists need to know the differing circumstances relating to trade overseas.
50. Export management functions are listed.
51. Training of managers not primarily engaged in exporting can be given by "Exporting for Managers" courses.
52. Newly appointed managers not previously engaged in export work need an appreciation of the "nuts and bolts" of export selling and clerical functions to help them run their departments.

- 53-54. The training of managers with previous experience of export work ("Management for Export") is discussed.
55. Managers should converse competently in at least one foreign language, and have some understanding of the other languages common to exporting.
- 56-57. The main items to be included in "Management for Export" training courses are listed.

Chapter 6. Aptitudes, Abilities and Experience

Para.

58. There are a number of aptitudes, abilities and areas of experience which are important in exporting. Companies should bear them in mind when recruiting export staff or making promotions; and they should develop them whenever possible.
59. The most important aptitude is the quality of environmental adaptability.
60. Export staff should also possess a developed facility for communicating clearly and concisely, both verbally and in writing. This demands a mastery of clear, simple English.
61. All who are primarily engaged in export management or who represent their companies overseas, should have a competent grasp of at least one foreign language, and some understanding of the other languages commonly used in exporting.
62. They should be able to persuade and motivate others.
63. Previous industrial or commercial experience is desirable.
64. Export staff who will travel overseas need a planned introduction to the problems of travelling, and must possess the physical capacity and stamina necessary to meet the demands of travel or foreign residence. They also need to develop previous experience in the techniques of reporting and negotiation.

Chapter 7. Identifying Training Needs

Paras.

- 65-66. Effective training demands certain minimum requirements and these are set out for the benefit of firms unaccustomed to training.

- 67-69. There must be an identification of company training needs; this is the responsibility of senior management. It must provide for future as well as for present needs and must take into account future export trading strategy and such factors as the ability of present staff to meet that strategy.
- 70-73. There must also be an individual identification of the training needs for each member of the export staff. This must be based in each case on a job specification and an appraisal of performance.

Chapter 8. The Training Programme : In-company Training

Para.

74. There will be a number of different categories of export staff who will need different forms of training.
75. It would be misleading to provide draft training programmes. Export training will vary with the needs of the firm and of individuals. Some common areas of training can be combined into joint programmes. The recommendations of Chapters 3, 4 and 5 provide the framework on which individual training programmes can be built.
76. In-company training is particularly appropriate to aspects associated with the operation of the export department and the company's products. The manager responsible for training should assess how much training can be given within the company.
- 77-78. In-company training must be systematically planned, agreed with all the people involved and written down.
79. In-company training must be more than sitting and watching. All who will be giving instruction must themselves be instructed in training techniques. The provision of training for the various levels of instructors is important and should receive early attention from industrial training boards.
80. In-company training must have the full support and encouragement of senior management. The value of the instructor's efforts and the time taken should be recognised by management.
81. Impersonal training material and techniques, such as field experience, should be used where appropriate but need to be carefully planned and supervised.

Chapter 9. The Training Programme : External Courses

Para.

82. External courses are valuable where there is a common content of teachable material or where contact with people from other firms is desirable.
- 83-84. Although few in number, there are a variety of export courses, and some advice on selection is provided.
85. Vocational education of export staff should be brought within the national pattern of studies and qualifications.
86. The use of short courses for representation training is discussed.
- 87-88. The desirable pattern of external export courses for management is discussed.
89. Reasons for the scanty provision of external courses are discussed.
90. There is an urgent need for action at national level to secure an immediate improvement in the number of good quality export courses ; and a longer term need to change the pattern of export courses to an acceptance of day release, block release or full time study for all grades of staff. Industrial training boards are asked to give urgent consideration to this problem, as a matter of joint action by them all and in consultation with the education authorities.
91. Because of the small number of export staff, and bearing in mind the needs of smaller firms, industrial training boards are asked to consider encouraging the application of the group training principle for joint export training schemes ; and to encourage the provision of export courses on a regional basis, perhaps with some specialisation of subject matter in each region.
92. Urgent action is also needed to provide a sufficient number of teachers with practical up-to-date knowledge of exporting. Measures which industry can take to help are discussed.
93. The content of export courses should be based on the information provided in Chapters 3, 4 and 5.
94. A number of questions are asked to assist companies in setting up suitable training programmes.

Chapter 10. Recommendations : Conclusion : Summary

Para.

- 95. Recommendations to industrial training boards.
- 96. Recommendations to all concerned with the provision of export courses.
- 97. Recommendations to companies and firms engaged in exporting.
- 98. Recommendation on languages.
- 99-100. Conclusion.

APPENDIX I

THE SURVEY

In order to establish, at the outset, some initial facts about the provision of training for export staff, the Commercial and Clerical Training Committee authorised a survey of a selection of companies engaged in exporting. It was agreed to focus the enquiry on firms with a relatively notable export performance, and it was decided to approach the 104 companies who received the Queen's Award to Industry in 1966. In addition to showing what these firms were doing about export training, it was hoped that the survey might indicate some common approach to training in such firms which could be developed and recommended for wider use.

A questionnaire was drawn up with the assistance of Dr. Adler, of the College of Marketing. Eighty-five firms agreed to be interviewed and to answer the questionnaire. The Committee wishes to express its appreciation to those firms for the help and co-operation which they gave.

The survey provided much valuable information ; but it did not reveal any common approach to export training, and the original conception of a report stemming from the findings of the survey was not possible. The survey was a valuable source of reference and it remains a record of the sources of recruitment, qualifications and training of export staff in some of the most successful exporting firms. We reproduce, as illustrations, two associated tables from the survey which indicate the range of firms by size and industrial classification, and the lack of uniformity in their practice.

APPENDIX I

Annex A

TABLE 36. Where Export Sales Representatives are recruited from and experience sought

	Total	Turnover					Number of Employees					Type of Product	
		Up to £1½ m.	£1½ to £5m.	£5 to £10 m.	£10 to £50 m.	Over £50 m.	Under 100	100 to 249	250 to 999	1,000 to 2,500	Over 2,500	Industrial	Consumer
Total having export sales representatives ...	67	11	25	15	5	11	9	7	13	15	23	49	18
Recruited from:	No.	%											
Within the firm ...	33	49											
Other firms ...	7	10	12	5	1	8	4	5	7	6	11	25	8
Both ...	10	15	2	3	—	1	2	2	1	3	3	5	2
*Other combination of sources...	17	25	7	6	4	2	1	—	3	5	8	11	6
Experience/training looked for:													
Technical/product knowledge ...	32	48	15	4	3	7	4	3	8	6	12	27	5
Selling experience/ability ...	22	33	9	6	1	2	2	3	5	5	5	15	7
Languages ...	13	19	4	3	1	2	2	1	4	2	4	8	5
Personality ...	6	9	1	—	—	1	—	—	2	2	1	3	2
Company knowledge ...	4	6	3	—	—	2	—	—	1	1	1	4	1
Country/market knowledge ...	4	6	3	—	—	1	—	—	1	2	1	3	—
Commercial training ...	4	6	2	—	—	—	—	—	—	—	—	—	—
Export experience/knowledge ...	3	4	1	—	—	—	—	—	—	—	—	—	—
Minimum educational level ...	2	3	—	—	—	—	—	—	—	—	—	—	—
Suitable temperament ...	1	1	—	—	—	—	—	—	—	—	—	—	—
Business knowledge ...	1	1	—	—	—	—	—	—	—	—	—	—	—
Ability to organize ...	1	1	—	—	—	—	—	—	—	—	—	—	—
Common sense ...	1	1	—	—	—	—	—	—	—	—	—	—	—
None ...	2	3	1	—	—	—	2	1	—	—	—	1	1

* Both and higher educational establishments, 3; schools, 2; other sources, 2; both, technical colleges and higher educational establishments, 2; within and higher educational establishments, 1; other firms, schools and higher educational establishments, 1; technical colleges and higher educational establishments, 1; technical colleges, 1; other firms and higher educational establishments, 1; can't say, 3.

APPENDIX I

Annex B

TABLE 42. Whether Company organises courses for Export Sales Representatives

	Total	Turnover					Number of Employees					Type of Product	
		Up to £14 m.	£14 to £5 m.	£5 to £10 m.	£10 to £50 m.	Over £50 m.	Under 100	100 to 249	250 to 999	1,000 to 2,500	Over 2,500	Industrial	Consumer
Total having export sales representatives	67	11	25	15	5	11	9	7	13	15	23	49	18
—Company organises	No. 34	1	12	8	5	8	—	4	5	10	15	28	6
—Company doesn't organise	% 33	10	13	7	—	3	9	3	8	5	8	21	12
Total organising courses	34	1	12	8	5	8	—	4	5	10	15	28	6
<i>Courses covered:</i>	No. %												
Product knowledge	27 79	1	9	6	4	7	—	3	3	8	13	21	6
Company organisation and policy	23 68	—	10	4	3	6	—	3	3	6	11	17	6
Selling	24 71	1	10	5	3	6	—	3	4	7	10	18	6
Sales promotion	23 68	1	8	5	3	6	—	3	4	5	11	17	6
Shipping	10 29	—	3	2	3	3	—	1	1	3	6	8	2
Distribution	12 35	—	6	2	1	3	—	3	2	2	5	7	3
Export documentation, regulations and procedures	13 38	—	6	3	2	3	—	2	2	3	6	9	4
Credit arrangements	21 62	1	9	5	1	3	—	3	5	4	9	16	5
Currency arrangements	15 44	—	8	4	—	3	—	3	3	3	6	10	5
Knowledge of specific markets	19 56	1	6	5	2	3	—	1	4	4	10	15	4
Other subjects*	8 24	—	3	1	1	3	—	—	1	3	4	7	1

*Business administration (2), management training, company knowledge, forecasting and pricing, lecturing and public speaking, international finance, market research, product advances, general finance, communication.

APPENDIX II

FOREIGN NATIONALS AND THE INDUSTRIAL TRAINING ACT

1. In general the Industrial Training Act 1964 makes provision for the training of persons employed or intending to be employed in an industry (as defined in the relevant Industrial Training Order) in Great Britain.

2. The legal position is somewhat complicated and it may be helpful to indicate the powers of Boards in relation to particular kinds of employee:

(a) the training of the following groups is in scope:

- (i) British based employees whose duties from time to time take them outside Great Britain (e.g. representatives);
- (ii) foreign based employees who are employed in Great Britain while under training (e.g. Commonwealth students and others who are put on the payroll of employers while in this country);
- (iii) British based employees who work in Great Britain but undertake training overseas (e.g. employees sent on training courses held abroad);

(b) the training of the following groups of employees is outside scope:

- (i) training provided abroad for foreign based employees;
- (ii) training given in Great Britain for foreign based employees who are not put on the payroll of the employer while under training, and who are not sponsored under the provisions of Section 14 of the Act where that is applicable.

3. Section 14 of the Act permits a Board, if requested by the Secretary of State, to exercise functions in connection with the training for employment in any activity carried on outside Great Britain of persons who are temporarily in Great Britain. These functions may not be financed from levy. Section 14, however, was primarily intended to make special provision for the training of overseas students, particularly from developing countries.

APPENDIX III

SOME SOURCES OF INFORMATION ON EXPORT COURSES

1. Industrial Training Boards.
2. Department of Education and Science, Curzon Street, London, W.1.
3. Scottish Education Department, 8, George Street, Edinburgh, 2.
4. Scottish Council for Commercial, Administrative and Professional Education, 22, Great King Street, Edinburgh, 3.
5. Colleges of Further Education.
6. University Departments of Business Studies.
7. Regional Advisory Councils.
8. Board of Trade Regional Offices.
9. British Institute of Management, Management Education Information Unit, 80, Fetter Lane, London, E.C.4.
10. B.A.C.I.E.—Information Department, 16, Park Crescent, London, W.1.
11. Chambers of Commerce.
12. Institute of Export, Export House, Hallam Street, London, W.1.
13. Institute of Marketing, Marketing House, Richbell Place, Lamb's Conduit Street, London, W.C.1.
14. Institute of Shipping and Forwarding Agents, 16, Park Crescent, London, W.1.
15. Society of Shipping Executives, 37, Soho Street, London, W.1.



Publications

Previous Publications by the Central Training Council in this series include :

Training of Training Officers. Introductory Courses
(Published May 1966. HMSO 1s. 6d.)

Supervisory Training. A New Approach for Management
(Published June 1966. HMSO 4s.)

Training for Commerce and the Office
(Published September 1966. HMSO 7s. 6d.)

An Approach to the Training and Development of Managers
(Published October 1967. HMSO 1s. 6d.)

Training of Training Officers. A Pattern for the Future
(Published November 1967. HMSO 3s. 9d.)

Training for Office Supervision
(Published May 1968. HMSO 2s.)

Central Training Council Reports to the Minister of Labour :

First Report (H.C. 352. November 1965) HMSO 1s. 6d.

Second Report (H.C. 486. June 1967) HMSO 3s.

Central Training Council Memoranda have been issued on the following subjects :

No. 1 Industrial Training and Further Education (April 1965)

No. 2 Industrial Training and Training in Safety (September 1965)

No. 3 The Use of Programmed Instruction in Industrial Training
(February 1966)

No. 4 Industrial Training and Further Education. A Further
Statement by the Central Training Council (March 1966)

No. 5 Approach to Industrial Training. An Assessment of the
Main Tasks facing Industrial Training Boards (April 1966)

No. 6 The Selection and Training of Instructors (May 1966)

No. 7 Training Standards for Occupations Common to a Number
of Industries (March 1968)

Copies of these memoranda are obtainable free on application to the
Department of Employment and Productivity, 168 Regent Street,
London, W.1.

*Department of Employment and Productivity Training Publications
approved by the Central Training Council :*

Glossary of Training Terms
(Published December 1967. HMSO 4s. 9d.)

Industrial Training Research Register
(Published December 1967. HMSO 11s.)

TRAINING OF EXPORT STAFF

A Report by the
Commercial and Clerical Training Committee
of the Central Training Council



LONDON
HER MAJESTY'S STATIONERY OFFICE
1968

The Central Training Council has endorsed this Report made by its Commercial and Clerical Training Committee.

The Council proposes to Industrial Training Boards that they should take the recommendations contained in the Report into account when framing their own recommendations under Section 2(1)(c) of the Industrial Training Act, 1964.

FOREWORD

by Sir William Houghton, Chairman of the Commercial and Clerical Training Committee

Export trade is common to most industries and its efficiency is a national priority. We believe that the training proposals in this Report will improve the performance of export staff at all levels. We ask industrial training boards and other interested bodies to consider the recommendations—and the problems—which we set out and to give immediate encouragement to the development of export training on the pattern which we describe.

Exporting is a specialised subject and we have sought the assistance and advice of a number of people with practical exporting experience and knowledge. The members of the working group who prepared this Report are listed on the next page, and we are most grateful to them for the considerable time and effort which they gave. We are also grateful to the firms who co-operated in the survey and to the businessmen who checked and discussed our proposals.

Our initial investigations suggested that exporting is an area where training needs to be formalised and developed. The diversity of organisation and job titles has led us to concentrate on the functions which are common to exporting as a whole. The Report is primarily a down-to-earth study of these functions in the sphere of management, representation and the office and of the training which needs to be associated with them. We hope that it will be of immediate use not only to training boards and educational bodies but to exporting companies and firms, and to all who have a practical interest in the improvement of export performance.

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The Working Group is grateful for the assistance received from Mr. V. R. B. SMALLWOOD, T.D., Director, British Export Houses Association, who attended several meetings by invitation.

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